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SUBJECT: IN HCMC, TWO RISING STARS FOLLOW TWO DIFFERENT PATHS

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HO CHI MIN 00000988 001.2 OF 003

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State.
REASON: 1.4 (b), (d)

11. (C) SUMMARY: The career paths of two prominent political leaders in Ho Chi Minh City reflect fundamental divisions with the leadership of the Communist Party of Vietnam (CPV). Contacts tell us that conservative elements within the CPV leadership are promoting the career of the Deputy Secretary of the Communist Party of HCMC, Nguyen Van Dua, while reformers are grooming City Council Chairwoman Pham Phuong Thao. Both are "young" (in their 50's) HCMC natives who joined the Communist Youth League in former Saigon during the war and subsequently worked their way up the party ladder. Both were also selected partly because they fit into key demographics that their backers reportedly hope to exploit. Frustrated that previous CPV decisions to balance the representation of northerners and southerners in the Central Committee and Politburo have led to growing influence for southern reformers, conservative elements in the CPV are promoting Dua, a conservative southerner. The choice of Thao as a leader in the next generation of reformers was reportedly influenced by another demographic, the much more recent decision by the CPV to increase the portion of women in the senior leadership ranks to 30%. While the two leaders are being supported by rival camps, they generally do not clash since Dua's area of greatest activity is cultural/information control while Thao's is the mechanics of delivering good governance. END SUMMARY.

DUA AND THE CULTURAL CONSERVATIVES

12. (S) Multiple interlocutors, including former People's Committee Chairman Vo Viet Thanh, current Deputy Chief of Staff of the People's committee Huynh Khanh Hiep, National Assembly Member Nguyen Dang Trung and External Relations Office (ERO) Deputy Director Nguyen Vo Tu, have all independently explained to us that culture is the most politically sensitive of all topics in HCMC and serves as a dividing line between rival camps within the CPV. For the conservative core, the threat of "evolutionism" -- the gradual peaceful transition from a communist to a democratic state -- has become their central rallying point. Our interlocutors explain that unlike in Hanoi, where overwhelming majority of the population supported the North Vietnamese government during the war, a large percentage of southerners, particularly in HCMC, never supported communism -- and still don't. The fear is that enemies of the CPV will become increasingly emboldened with progressing reforms and eventually challenge the legitimacy of the party. (Comment: The number of senior CPV members in HCMC who have confided to us that they believe that the Vietnamese people will eventually -- and rightfully -- demand full democracy demonstrates that the

conservatives have a good reason to worry. The reformers, on the other hand, welcome "evolutionism" as their country's long-term salvation. End Comment.)

13. (SBU) Near the end of 2007, the already difficult process of pursuing public diplomacy goals took a marked turn for the worse. Rules were tightened in a number of areas, but particularly those that apply to exchange programs. New requirements imposed included onerous reporting and clearance rules announced by the External Relations Office (ERO -- the HCMC branch of the Ministry of Foreign Affairs) that at first appeared to undermine our ability to pursue programs. While we have successfully engineered a work-around to circumvent the controls, the process of selecting and inviting program participants is more complex and dangerous than ever, as one journalist invited to participate in an IVLP program recently learned when she was summoned to HCMC Communist Party headquarters and personally reprimanded by Deputy Party Secretary Nguyen Van Dua for agreeing to participate in such a program without first seeking the party's approval. Dua ordered her to cancel her participation. Given that the CPV has recently demonstrated its willingness and ability to punish recalcitrant reporters, the IVLP nominee had no choice but to cancel her participation at the last moment.

14. (S) While contacts were initially unwilling to reveal more details concerning the origin of the shift in policy on exchanges, some insiders, such as ERO Deputy Director Tu and Deputy Chief of Staff of the HCMC People's Committee Huynh Khanh Hiep, have recently independently confirmed that the source of the new order is HCMC Communist Party First Deputy Secretary Nguyen Van Dua himself. While he is certainly not alone in his campaign to tighten the reigns on cultural activities, contacts describe him as the movement's most senior advocate in HCMC. Contacts, including long-time colleague and former Communist Youth League counterpart Dinh Ba Thanh, also describe Dua as an extremely politically ambitious individual whose career is being

HO CHI MIN 00000988 002.2 OF 003

backed by some of the most conservative elements of the Politburo and Central Committee. Contacts explain that a number of Party hard liners have been frustrated that the Party's desire to include southerners in its leading institutions has had the effect of increasing the power of reformers. To counteract this, the conservative faction within the CPV searches for and supports conservative southerners, with Dua being their prized student. Contacts willing to venture a guess believe that Dua will be promoted into a more important position within the CPV hierarchy with a few years.

DUA'S IS NOT THE ONLY RISING STAR

15. (S) On a more optimistic note, Tu and others have told the CG that conservatives such as Dua are not the only southerners enjoying top-level political patronage. HCMC City Council Chairwoman Pham Phuong Thao, a leading force for more open, transparent government and an advocate of direct elections for commune and city leaders with no "pre-filtering" of candidates by the CPV or Fatherland Front, is also reported to be benefiting from internal CPV personnel policies. At the Party Plenum earlier this year, the CPV adopted a policy goal of increasing the number of women in top leadership positions to 30%. Multiple interlocutors have told us that this policy goal is helping to propel the careers of the next generation of female CPV members, including Thao. In addition to being female, her background includes years of service in the Communist Youth League of HCMC during and after the war as well as a stint as the chief of the CPV of HCMC's office of ideological purity. In local parlance, she has a "pure red CV."

16. (C) In her current position as the Chairwoman of the City Council, Thao has been remarkably public in her criticism of government inefficiency and corruption, proudly citing the number of CPV and HCMC city officials who have been fired for corruption and/or negligence under her watch as a major accomplishment. Thao has forced every district, ward and

commune level chief to hold monthly open houses where ordinary citizens can make their grievances known and personally hosts a very popular Sunday morning television show called "Talk and Action" that focuses on some of the most pressing -- and controversial -- issues the city is facing. Just as the conservatives are looking for conservative southerners to back, the reformers see in Thao an ideal combination of gender, stellar CPV credentials and a proven commitment to pushing the frontiers of reform. According to local contacts, over the last several months leading CPV reformers have been actively grooming and assisting Thao.

17. (C) While not commenting on her personal political ambitions, Thao herself did recently tell the CG that her drive for new reforms, including a new city charter, has benefited greatly in recent months from the excellent advice she has been given by some senior CPV leaders in Hanoi. At their specific advice, for example, Thao has reached out directly to a number of reform-minded members of the National Assembly as well as to senior officials in the Hanoi city government in order to build a broader base of support for her reforms. Thao explained that "friends" had suggested to her that by building a geographically diverse base of support for legal changes that would impact multiple cities, she could blunt criticism that HCMC was seeking special treatment. These same friends suggested to her specific individuals within the Hanoi city government who share her commitment to more open, responsive government. Similarly, the deputy leader of HCMC's contingent of representatives to the National Assembly, Tran Du Lich, another rising reformer, carefully coordinates his work on national legislation with Pham Phuong Thao. He has also lined up reform-minded members of the National Assembly to appear on her talk show to voice concerns and complaints on topics ranging from pollution to land rights.

18. (S) At a recent dinner with the CG, Dinh Ba Thanh, the former head of the Communist Party Youth League and currently the Chairman and CEO of Vietnam's largest advertising company, commented that Dua and Thao were both members of the Communist Youth League at the same time as he was and cooperated closely for years. Thanh explained that while they had all joined the Party out of a desire to serve their country, their lives have taken them down somewhat different paths to that goal. Dua believes that the CPV is the guarantor of Vietnam's long-term security and thus works to maintain Party supremacy. Thao believes in the ability of the Vietnamese people to build their own future and thus focuses her energies on building a government that is responsive to the needs of the people. Meanwhile, Thanh sees himself as contributing to Vietnam's future by building a successful business that helps the economy grow and creates linkages with foreign partners.

COMMENT

19. (C) Perhaps it is not surprising that Tip O'Neill's famous adage that "all politics is local" can be turned on its head in

HO CHI MIN 00000988 003.2 OF 003

communist Vietnam, where it appears local politics are being driven by national rivalries. The differing paths being followed by Dua and Thao not only reflect what appears to be an ongoing battle over the future direction of the CPV, it also has concrete implications for our work in HCMC. Despite its bright lights and vibrant economy, HCMC is not an easy place in which to work, particularly in the cultural arena (ref A). The combination of internal divisions within the CPV and the GVN's frequent failure to establish and enforce a single, uniform policy means that dealing with officials here can be eerily reminiscent of scenes from "Dr. Jekyll and Mr. Hyde." We can never predict when the government will show its dynamic, forward-looking face and when we will be confronted with the unreasonable demands of a paranoid and reactionary entity. Simple dividing lines such as north/south or party/non-party are not effective tools for predicting behavior and even when we do know whom we are dealing with, we can't always know who is calling the shots behind the scenes. While the front for rival camps within the CPV, Thao and Dua have never clashed public,

partly because they focus their energies in different spheres:
Dua in culture and public information and Thao in building
responsive local government with an emphasis on quality of life
issues such as the economy, city planning and the environment.

¶10. (U) This cable was coordinated with Embassy Hanoi.
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